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**Commission de l'énergie
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December 4, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: London Hydro Inc.
Application for an Exemption from Section 5.1.3 of the
Distribution System Code EB-2014-0292**

In accordance with Procedural Order No 1, please find enclosed Board staff submission with respect to the above mentioned application.

Yours truly,

Original signed by

Irina Kuznetsova
Case Manager

Attachment

BOARD STAFF SUBMISSION

**Application for Licence Amendment for
Temporary Exemption from Section 5.1.3 a) of
the Distribution System Code**

London Hydro Inc.

EB-2014-0292

December 4, 2014

INTRODUCTION

London Hydro Inc. (“London Hydro” or the “Applicant”) filed an application on September 11, 2014 with the Ontario Energy Board (the “Board”) under section 74 of the *Ontario Energy Board Act, 1998* (the “Act”) for an order of the Board granting London Hydro an amendment to its electricity distribution licence ED-2002-0557. The amendment seeks a temporary exemption to December 31, 2015 from the requirement under section 5.1.3 a) of the Distribution System Code (the “DSC”) to install an interval meter (MIST meter) on any new installation that is forecast to have a monthly average peak demand during a calendar year of over 50 kW effective on or after August 21, 2014. The Board assigned file number EB-2014-0292 to the application.

THE APPLICATION

In its application London Hydro is seeking a temporary exemption until December 31, 2015 from section 5.1.3 a) of the DSC due to the time required to configure its existing Sensus smart meter communication system to read the MIST meter. London Hydro states that the desired configuration is currently being developed by the manufacturer but is not yet ready for implementation. London Hydro also states that for all customers over 200 kW interval meters have already been installed, therefore only those customers whose monthly average peak demand is greater than 50 kW but less than 200 kW are addressed in this application.

The Board issued a Notice of Application and Hearing on October 6, 2014. Board staff filed interrogatories on November 4, 2014. London Hydro responded to these interrogatories on November 19, 2014.

This submission is being provided by Board staff following a review of the application and evidence filed in this proceeding.

STAFF SUBMISSION

Board staff submits that London Hydro's circumstances warrant a temporary exemption from section 5.1.3 a) of the DSC. In its application London Hydro stated that meeting

the requirements of section 5.1.3.a) of the DSC at the present time would require installing new interval meters with cellular reading capability as an interim solution which would become redundant once the smart meter communication solution becomes market ready. This interim solution would result in unnecessary stranded assets and additional operating costs. As stated in response to Board staff's interrogatories 1 c) and 2, the interim solution meters will not be supported past 2018 due to communications limitations and will require re-installation which will result in the total stranded costs between approximately \$96,000 to \$123,500 based on forecasted volume of 70 to 90 customers in this subclass. In order to approach this conversion with the least costs incurred, London Hydro proposed to continue installing legacy pulse meters (currently available in stock) for this customer subclass until its communication provider has a market ready smart meter communication system tested and installed by the end of Q3 2015.

Board staff agrees that it would not be prudent for London Hydro to incur significant costs for the interval meters with cellular reading capability that are known not to be able to continue past 2018 and will represent an interim solution only. Board staff does not oppose the temporary exemption sought by London Hydro and submits that the temporary exemption should cease on December 31, 2015.

All of which is respectfully submitted.